



रिज़र्व बैंक ऑफ़ इंडिया
RESERVE BANK OF INDIA
www.rbi.org.in

DGBA. GAD. No. H- 3078 / 45.01.001/ 2008-09

October 1, 2008

The Chairman & Managing Director
All Agency Banks (excluding State Bank of India)
(As per list attached)

Dear Sir,

Establishment of Centralised Pension Processing Centre (CPPC)

The Committee on Customer Service (Prabhakar Rao Committee) set up recently by Reserve Bank of India has recommended setting up of Centralised Pension Processing Centres (CPPCs) by the agency banks. While State Bank of India have established and operationalised Centralised Pension Processing Centres (CPPCs) to undertake pension related back-office work, most of the agency banks are planning to set up CPPCs for their banks.

2. To streamline the pension payment arrangements in the Government Departments and also in banks, it would be necessary to establish and operationalise the CPPCs at an early date. The arrangement for disbursement of pension through the CPPCs would entail following advantages:

- (i) A centralised pension cell in a bank would be in a position to (a) focus exclusively on pension matters, (b) acquire expertise in payment and calculation matters, (c) interact as a single window with the Government Departments and (d) ensure accuracy and speedy payments every month and thus avoid innumerable complaints from the pensioners.
- (ii) In a core banking environment the start of the Centralised Pension Processing Centre would be inevitable in application of modernised systems and technology to the sensitive part of customer transactions.
- (iii) CPPC would have additional benefit of enabling every bank to have a centralised and easily accessible data base of pensioners so that all the matters including those relating to transfer of pensions accounts from one branch to another, from one location to another or even from one bank to another could be easily managed.

3. Simultaneously, the following pensioner friendly measures may also be taken by the banks to provide hassle free service to the pensioners:

- (i) Consequent on establishment of the CPPCs, pension paying branch would not have any pension related papers and therefore would not be able to settle pensioners' complaints directly. Banks, while setting up CPPCs, should

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evolve a system so that the pensioners have a regular forum for interaction and settlement of grievances.

(ii) At locations outside the CPPC there should be designated Nodal Officers for pension related complaints who should be easily accessible to the pensioners and who should hold regular meetings at different locations in their jurisdiction on the lines of Pension Adalat.

(iii) Each bank should establish a toll free dedicated pension line manned by trained persons with access to the database to answer queries, note down and redress complaints, etc.

(iv) Bank's internal inspections of its branches should include specific points such as, delays in the start of pension, payments of Dearness Relief, correctness of pension/ family pension, etc.

(v) Nodal officers/ Inspection officers should randomly contact the pensioners who visit the branch during inspection and check on the quality of service provided or any problem faced by the pensioners.

(vi) The internal inspection/ audit should during inspection/ audit randomly call the pensioners whose phone numbers would be available with bank branch to enquire about their satisfaction with pension related service.

(vii) Regular training sessions for bank personnel dealing with pension matters may be organised in consultation with the concerned Government Department.

4. In view of the foregoing, and considering the advantages of disbursement of pension through CPPCs to all the stake holders, you are advised to establish/ operationalise the Centralised Pension Processing Centres (CPPCs) and implement the above mentioned pensioner friendly measures at the earliest in your bank.

5. The action taken/ proposed to be taken in this regard may please be advised to us.

Yours faithfully,

Sd/-

(B. K. Mishra)
General Manager

ISO 9001:2000 certified
Department of Government & Bank Accounts, Central Office,
Opp. Mumbai Central Railway Station, Byculla, Mumbai - 400 008.
Telephone : (022) 23020 681, Fax No. (022) 23000 370/2301 6072/2301 0095, e-mail :
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भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

Ref.No DGBA.GAD No. H- 14p 35 /45.01.001/2010-11

August 23, 2010

1. The Chairman / Managing Director
Associate Banks of State Bank of India
2. The Chairman and Managing Director
All Nationalised Banks (except Bank of Baroda)
and IDBI Bank Ltd.
3. The Managing Director
ICICI Bank Ltd., Axis Bank Ltd., HDFC Bank Ltd.

Dear Sir,

Establishment of Centralised Pension Processing Centre (CPPC)

Please refer to our circular DGBA. GAD. No. H- 3078 / 45.01.001/ 2008-09 dated October 1, 2008 on the captioned subject. In this connection, it has been reported by the Central Pension Accounting Office (CPAO), MOF, Department of Expenditure, Trikot-II, Bhikaji Cama place, New Delhi-110 066 that some of the banks have not obtained approval for switching over to CPPC. We, therefore, advise you to obtain approval of CPAO for switching over to CPPC in future. As regards CPPCs already operationalised without CPAO approval, the same may be reported to CPAO for necessary approval.

Yours faithfully

(P.M.Rajagopal)
Assistant General Manager

भारतीय रिज़र्व बैंक PUNJAB NATIONAL BANK अध्यक्ष कार्यालय Chairman's Office
25 AUG 2010
प्राप्ति सं / Receipt No. प्रधान कार्यालय, नई दिल्ली Head Office, New Delhi

यह विभाग आईएसओ 9001:2000 प्रमाणित है।

सरकारी और बैंक सेवा विभाग, केन्द्रीय कार्यालय, भायखला ऑफिस बिल्डिंग, 4 थी मंजिल, मुंबई सेंट्रल रेलवे स्टेशन के सामने, भायखला, मुंबई-400 008

This Department is ISO 9001-2000 certified

Department of Government & Bank Accounts, Central Office, Opp. Mumbai Central Railway Station, Byculla, Mumbai - 400 008.

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किन्हीं आचरण में इसका प्रयोग न करें।

27 AUG 2010



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

www.rbi.org.in

DGBA. GAD.H- 3085/ 45.01.001/ 2008-09

October 1, 2008

The Chairman/ Managing Director,
Chairman & Managing Director
SBI and its Associate Banks,
Nationalised Banks (As per list attached)

Dear Sir,

**Recommendations of the Committee on
Customer Service (Prabhakar Rao Committee)**

As you may be aware, a Committee was set up by the Reserve Bank under the chairmanship of Shri Prabhakar Rao, Ex. Controller General of Accounts, Government of India, Ministry of Finance (Department of Expenditure) to review the customer service provided by the banks. The Committee interacted with, among others, the Government Accounting Departments, banks and individual pensioners and submitted its report in May 2008. The recommendations of Committee relating to pension payments and other Government business handled by the banks are given in Annex-I.

2. It has been decided to accept the Committee's recommendations. You may, therefore, take suitable action and issue instructions to all the dealing branches to adhere to the recommendations. The controlling authorities may please also be advised suitably in the matter. A checklist/ questionnaire for the use of internal audit/inspection is also enclosed as Annex-II. Your Internal Auditors/ Inspectors may be advised to bestow due attention to the adherence to the items of work by the branches listed with respect to the checklist and comment on the quality of customer service in their reports which may be made available to the Reserve Bank's Inspecting Officers, as and when they visit the branches.

4. Please acknowledge receipt of this letter and apprise us of the action taken in this regard.

Yours faithfully,

Sd/-
(B. K. Mishra)
General Manager
Encls: As above

ISO 9001:2000 certified
Department of Government & Bank Accounts, Central Office,
Opp. Mumbai Central Railway Station, Byculla, Mumbai - 400 008.
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11/20/08
20/03

C. (P) Dy. No. 876
Dated 20/3/09

Endt. No. DGBA. GAD. 3087 / 45.01.001/ 2007-08 of date.

Copy forwarded for information and necessary action to the Regional Director/Chief General Manager, Reserve Bank of India, Public Accounts Department, Ahmedabad/ Bangalore/ Bhubaneswar/ Bhopal/ Chandigarh/ Chennai/ Guwahati/ Hyderabad/ Jaipur/ Kanpur/ Kolkata/ Mumbai-Fort/ Mumbai- Belapur/ Nagpur/ New Delhi/ Patna/ Thiruvananthapuram. He is advised to sensitise the controlling heads of the banks in this regard in their periodic meetings with the banks.

(P. M. Rajagopal)
Assistant General Manager

Recommendations

1. Bank staff both operative and supervisory need to be suitably sensitised to the important and socially useful work of pension payments.
2. Internal inspections of banks need to lay emphasis on pension transactions in the evaluation of the quality of work of the branch. A specific questionnaire covering all aspects of pension payment may be devised for banks for use during inspection of pension paying branches.
3. Banks should comply with all the provisions intended to protect the interests of the pensioner such as avoiding delays at Link Branches and Pension Paying Branches, issue of Pension payment slip, restoring full pension after 15 years as directed in the PPO itself, ensuring that overpayments are not made since this will lead to later hardship to the pensioner, etc. In all these cases there are clear instructions which only need to be followed. Controlling offices of branches should lay a specific focus on this during their inspections.
4. Bank / Reserve Bank Inspecting Officers should during inspections, randomly call up pensioners whose phone numbers would be available at the branch and enquire about their satisfaction with the pension-related service. This would give a boost to the pensioners' self esteem, enhance their belief in the bank's commitment to their welfare and allow them an opportunity to present their point of view directly to a responsible bank officer.
5. Bank Managers need to have structured interaction with pensioners on a cross section of pensioners serviced at the branch on a regular quarterly basis. This is especially required wherever the number of pensioners (of all Governments and Departments) exceeds a fixed number, say, 100 or 200.
6. Regular training sessions for bank personnel dealing with pension matters may be organised in consultation with the concerned Government departments, such as Central Pension Accounting Office, Controller, Defence Pensions, etc. In view of the fact that bank personnel are constantly rotated there is a need for such training to be on an ongoing basis.
7. Government may consider bringing out a brochure to be given to an official at the time of retirement outlining all aspects of pensionary services such as procedures, transfer of pensions, life certification requirements, etc. This would serve as a useful guide for the pensioner and his immediate family.
8. Banks should follow up actively and ensure that, wherever possible, pensioners who have retired earlier convert their pension accounts to joint accounts. Nominations also should invariably be taken.
9. With the introduction of the transaction-based system of remuneration the amount of commission should now act as an incentive to banks to bring in more pensioners who would also contribute to other business of the bank.

The banks should therefore have no hesitation in making improvements to the pension payment system. This positive aspect of pension accounts needs to be again emphasised by banks to the operative staff at the branch level.

10. The Reserve Bank has greatly enhanced the amount of commission payable for pension transactions with the specific rider that the quality of service will be monitored by Reserve Bank with special emphasis on service rendered to pensioners. Such focused evaluation has not yet been started. This needs to be done so that the Reserve Bank can ensure that pensioners receive a quality of service commensurate with the level of payment of commission. The regular inspections of branches conducting government business by the Reserve Bank need to have a better focus on the quality of service of pension services. A suitable checklist/questionnaire needs to be devised. (This checklist is enclosed as Annex II) ✓

11. The Committee considers that a pensioner opting for pension through a private sector bank should not be subjected to adverse, differential treatment. The Committee recommends that, as in the case of public sector banks, a pensioner may be allowed to opt for pension from any convenient branch of a private sector bank.

12. The Committee considers that development of a centralised pension cell in each bank is essential and necessary and is an important area in the application of evolving technology for pensioners' payment process. The Committee, therefore, recommends that all the banks may move towards the development of a centralised pension payment module within a time frame to be worked out with the respective Government agencies. (Precautions and facilities as listed in the Reserve Bank circular DGBA. GAD. No. H-3078/ 45.01.001/ 2008-09 dated October 1, 2008 relating to establishment of CPPC need to be put in place.) X ✓

13. All banks should ensure that all the concerned staff are appropriately trained to the requirements of the OLTAS and also sensitised to the needs of the individual assesseees. Since in the case of individual assesseees there is a certain seasonality in the collection of direct taxes, it should be possible for the banks to ensure that trained personnel familiar with the requirements are posted at the receiving counters.

14. The process of verification of PAN number of existing assesseees from the CD should be strictly followed to eliminate any incorrect entry by the assessee.

15. Paper tokens in acknowledgement of the receipt of the cheque should invariably be given by the tax collecting bank branches. The challans should be stamped giving the bank's BSR code and the challan identification number clearly. This requirement may be re-emphasised to collecting banks.

16. Stamped challans should not be available to all customers who visit the branch. The bank staff may themselves keep custody of the stamped challans and hand it over to the concerned tax paper on production of the paper token.

17. All bank branches authorised to accept payment of income tax should clearly and prominently display the fact of their accepting tax by way of a notice or a board.

18. Branches should put up a notice that assesseees should ensure quoting correct PAN number, assessment year and other details in the challan. The Reserve Bank has circulated a List of Do's and Don'ts for bank staff and for assesseees. An easy to read and comprehend list of such Do's and Don'ts may be put up as a Notice by the bank for customer guidance.

19. It is seen that challans for the payment of I.T. are not available at bank branches. Banks should provide blank printed challans for the convenience of assesseees who do not have the facility of getting preverified, pre-printed challans over the internet.

20. The IT department may continue with the physical TDS certificates given to assesseees for their convenience, in view of the ongoing problems relating to uploading of data.

21. All banks should set up e payment facilities in a time bound manner and defaulting banks may be derecognised for tax collection purposes.

Annex-II

Check list relating to pension payments/ Government business for internal inspection of bank branches

- (i) Whether the bank staff, both operative and supervisory, has been suitably sensitized to the important and socially useful work of pension payments?
- (ii) Whether there is delay in payment of pension, revision of pension, revision in Dearness Relief etc.?
- (iii) Whether there is delay in restoring full pension after 15 years as indicated in PPO itself?
- (iv) Whether there is delay at Link Branch/ Focal Point Branch/ Pension Disbursing Branch of bank in prompt payment of pension?
- (v) Whether the bank branch ensures that the overpayments are not made to pensioners since this will lead to hardship to the pensioner later?
- (vi) Whether the Branch Manager had structured interaction with pensioners on quarterly basis?
- (vii) Whether regular training sessions for bank personnel dealing with pension matters were organised in consultation with the concerned Government departments, such as Central Pension Accounting Office, Controller, Defence Pensions etc.?
- (viii) Whether the Nominations to all the pension accounts have been complied?
- (ix) Whether the pension accounts have been converted into joint account wherever applicable?
- (x) Whether pension slips are issued to Central Civil/ Defence/ Railway pensioners?
- (xi) Whether the bank branch has an effective complaint redressal mechanism and the complaints of pensioners are promptly attended to and their grievances redressed expeditiously.
- (xii) Whether the pension is credited to pensioner's account during the period of last four working days of the month except for the

- month of March for which the pension is credited on or after first working day of April as per Reserve Bank of India instructions?
- (xiii) Whether the pension paying branch maintains a detailed record of pension payments made by it in the prescribed form?
 - (xiv) Whether pension paying branch obtains Life Certificate/ Non-employment certificate/ Employment Certificate from the pensioners in the month of November every year?
 - (xv) Whether pension paying branch deducts Income Tax at Source from pension payments wherever applicable?
 - (xvi) Whether bank branch strictly follows the process of verification of PAN number of existing assesses from the CD to eliminate any incorrect entry by the assessee.
 - (xvii) Whether paper tokens in acknowledgement of the receipt of the cheque are invariably given by the tax collecting bank branches?
 - (xviii) Whether the challans are stamped giving the bank's BSR Code and the Challan Identification Number (CIN) clearly?
 - (xix) Whether the stamped challans are kept in the custody of the bank staff and handed it over to the concerned tax payer only on production of the paper token.
